GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:2462
ANSWERED ON:07.08.2003
GAS PRICE
HARIBHAI PARTHIBHAI CHAUDHARY;MANSINH PATEL;RATILAL KALIDAS VARMA

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the details of the demand made by Government of Gujarat in respect of gas price after APM has scrapped;

(b) whether the Union Government are considering for the demand;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRIMATI SUMITRA MAHAJAN)

(a) Government of Gujarat have represented to the Union Government in February, 2002 that the State economy is going through a difficult period. Brief details of this representation are indicated below:

Power forms an important input for industrial production. Any increase in the power cost is likely to cripple the industry. In addition, in the agriculture sector also, Gujarat has been in the grip of calamities - cyclones, two successive droughts and an earthquake. Further, Gujarat is in a disadvantageous position due to low hydel capacity and the distance from coal-fields. Therefore, state economy will not be in a position to bear increase in the additional cost on account of increase in gas price.

State Government in view of this requested Government of India to proceed cautiously in respect of gas price increase as this will have far reaching adverse impact on the state`s economy at this critical juncture.

(b)to(d) A Group of Ministers (GoM) under the Chairmanship of Shri K.C. Pant, Dy. Chairman, Planning Commission has considered the question of gas pricing. Government will take a view on the recommendations made by GoM and decide the issue after full consideration of the matter.